

**CONTROLLING OFFICER'S REPLY**

**S-FSTB(Tsy)07**

**(Question Serial No. S0040)**

Head: (76) Inland Revenue Department

Subhead (No. & title): ( )

Programme: (2) Collection

Controlling Officer: Commissioner of Inland Revenue (WONG Kuen Fai)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

Of the cases concerning the around 76 000 transitional instruments, how many of them have been settled so far; how many of them are subject to the Buyer's Stamp Duty (BSD) and what is the amount of BSD recovered? How many cases are not chargeable to BSD and what is the amount of BSD not collected as a result? Please also provide the number of cases still being processed, and the estimated amount of BSD that would possibly be recovered through such cases.

Of the cases concerning the around 76 000 transitional instruments, how many of them required to be referred to the Department of Justice (DOJ) for follow-up actions? Of such cases, how many of them were settled with successful recovery of BSD and what is the total amount of BSD recovered? How many cases were not chargeable to BSD and what is the amount of BSD not collected as a result?

Of the cases having been followed up by the DOJ, how many of them warranted the initiation of prosecution and what are the results of such actions? What are the respective numbers of cases in which BSD was recovered or not chargeable; and what are the respective amounts of BSD so recovered or not collected? How many cases are still being followed up by the DOJ, and what is the number of cases against which prosecution proceedings have been officially initiated?

Asked by: Hon TO Kun-sun, James (LegCo internal reference no.: )

Reply:

As at 31 March 2019, details of the transitional instruments of Buyer's Stamp Duty (BSD) handled by the Inland Revenue Department (IRD) are tabulated below:

	No. of cases (Note)	Amount of BSD involved (\$billion)
Chargeable cases	3 700	0.52
Not chargeable cases	71 700	-
Cases not yet completed	900	0.60

Note: Round to the nearest hundred

There are various reasons for the Stamp Office of IRD to take recovery actions against the duty payers for the amount in arrears, which include failure to make timely payment of stamp duty, or further stamp duty demanded due to inadequacy of purchase consideration or cases of splitting a larger transaction or series of transactions. Generally speaking, if a duty payer does not settle the stamp duty by the specified due date, the Stamp Office will issue reminders to the duty payer for recovery of the outstanding duty. If needed, the case will be referred to the Department of Justice (DOJ) for further actions. As at 31 March 2019, the Stamp Office referred a total of 52 cases to DOJ for follow up. Of the 52 cases, the buyers in 43 cases have submitted the statutory declarations and it is confirmed that no BSD is payable on these cases; one case is confirmed chargeable with BSD and the amount of duty involved is \$525,000; and the remaining eight cases are being processed.

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